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AUG 20 2007
CENTRAL DISTRICT OF CALIFORNIA BY DEPUTY

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ELAINE L. CHAO, Secretary of Labor,
United States Department of Labor,

CASE NO. CV 06-3903 AG (MANx)

Plaintiff,
v.
SOUTHERN CALIFORNIA MAID
SERVICE AND CARPET
CLEANING, INC., a California
Corporation;
SERGIO MALDONADO, individually
and as a managing agent of the corporate
defendant;
LORENZA RUBIO, individually and as
a managing agent of the corporate
defendant;

~~TENTATIVE~~ ORDER GRANTING
PLAINTIFF'S MOTION FOR
SUMMARY JUDGMENT

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

Defendant(s).

ENTERED - SOUTHERN DIVISION CLERK, U.S. DISTRICT COURT
AUG 21 2007
CENTRAL DISTRICT OF CALIFORNIA BY DEPUTY

The Court considers a Motion for Summary Judgment ("Motion") filed by Plaintiff Elaine L. Chao, Secretary of Labor, United States Department of Labor ("Plaintiff") against Defendants Southern California Maid Service and Carpet Cleaning, Inc., Sergio Maldonado, and Lorenza Rubio (collectively referred to as "Defendants"). Defendant Southern California Maid Service and Carpet Cleaning, Inc. ("SCMS") is a California corporation that provides house and carpet cleaning services. (Answer ¶ 2.) From March 14, 2003 to the present, Defendants Sergio

24

1 Maldonado (“Maldonado”) and Lorenza Rubio (“Rubio”) were corporate officers of SCMS.
 2 (Plaintiff’s Memorandum in Support of Motion for Summary Judgment (“Plaintiff’s P&A’s”),
 3 Ex. 3 at RFA No. 2.) Plaintiff argues that Defendants violated several FLSA provisions by
 4 underpaying their workers and by failing to maintain complete and accurate time and payroll
 5 records for them.

6 Defendants failed to file a timely opposition to Plaintiff’s Motion. Thus, the Court
 7 considers the Motion to be unopposed. Local R. 7-12. After considering the moving papers and
 8 evidence submitted therewith, the Court GRANTS the Motion.

9

10 **BACKGROUND**

11

12 Plaintiff brought this action against Defendants on behalf of SCMS’ housecleaning
 13 workers (“Cleaners”). Plaintiff’s complaint alleges that Defendants violated the Fair Labor
 14 Standards Act of 1938, *as amended*, 29 U.S.C. section 201, *et seq.* (“FLSA”). Specifically,
 15 Plaintiff alleges that Defendants violated the minimum wage, overtime, and recordkeeping
 16 provisions of the FLSA at 29 U.S.C. sections 206(a)(1), 207(a)(1), 211(c), 215(a)(2) and (a)(5).
 17 The alleged violations took place between March 14, 2003 and the present. (Plaintiff’s P&A’s
 18 11:19.) Plaintiff seeks (1) to recover back wages and liquidated damages owed to Defendants’
 19 employees for the relevant period and (2) to enjoin Defendants from future violations of the
 20 FLSA. (Plaintiff’s P&A’s 10:7-13.)

21 On December 29, 2006, Plaintiff’s counsel served a Request for Admissions (“RFA”) on
 22 Defendants’ counsel. (Declaration of Susan Seletsky (“Seletsky Decl.”) ¶ 3.) Defendants failed
 23 to respond. (Seletsky Decl. ¶ 4.) Under Federal Rule of Civil Procedure 36, unanswered RFA’s
 24 are deemed admitted and conclusively established. Fed. R. Civ. P. 36. Unanswered requests for
 25 admissions may properly serve as the basis for granting summary judgment. *Conlon v. United*
 26 *States*, 474 F.3d 616, 621 (9th Cir. 2007).

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 28 //

1 **LEGAL STANDARD**

2

3 Under Federal Rule of Civil Procedure 56(c) summary judgment is proper “if the
 4 pleadings, depositions, answers to interrogatories, and admissions on file, together with the
 5 affidavits, if any, show that there is no genuine issue as to any material fact and that the moving
 6 party is entitled to a judgment as a matter of law.” This rule is underscored by Rule 56(e), which
 7 provides that where a motion for summary judgment is unopposed, “summary judgment, if
 8 appropriate, shall be entered against the adverse party.” A district court “[is] still obliged to
 9 consider the motion on its merits, in light of the record as constituted, in order to determine
 10 whether judgment would be legally appropriate.” *Kelly v. United States*, 924 F.2d 355, 358 (1st
 11 Cir. 1991). Thus, a court may grant summary judgment when the unopposed moving papers are
 12 sufficient on their face to show that no issues of material fact exist. *See Henry v. Gill Indus.*,
 13 983 F.2d 943, 950 (9th Cir. 1993).

14

15 **DISCUSSION**

16

17 1. **APPLICABILITY OF THE FLSA**

18

19 The FLSA provides for recovery of unpaid minimum wages, unpaid overtime
 20 compensation, and liquidated damages owed to covered workers. To fall within the purview of
 21 the FLSA provisions allegedly violated by Defendants, the Cleaners must be employees of an
 22 “enterprise engaged in commerce or in the production of goods for commerce.” 29 U.S.C.
 23 § 206(a). Thus, to determine that the FLSA protects the Cleaners and applies to Defendants’
 24 actions as employers, the Court must consider whether the Cleaners were employees of
 25 employers who operated a commercial enterprise.

26 //

27 //

28 //

1 **1.1 Employees**

2

3 First, the Court considers whether the Cleaners are employees under the statute. In their
 4 Answer, Defendants claimed that the FLSA does not apply to the Cleaners because they are
 5 independent contractors, not employees, and independent contractors are excluded from the
 6 FLSA. (Answer of the Defendants Southern California Maid Service and Carpet Cleaning, Inc.,
 7 Sergio Maldonado, and Lorenza Rubio to Complaint (“Answer”) ¶ 11.) Here, Plaintiff claims
 8 that the Cleaners are employees, and that SCMS “misclassifies its employees as independent
 9 contractors.” (Plaintiff’s P&A’s 19:10-12.) Whether an individual is an “employee” within the
 10 meaning of the FLSA is a legal question. *Morrison v. International Programs Consortium, Inc.*,
 11 253 F.3d 5, 10 n.3 (D.C. Cir. 2001). By not responding to Plaintiff’s RFA No. 40, Defendants
 12 admitted that all Cleaners were employees of SCMS at all relevant times. Thus, the Court finds
 13 that the Cleaners are employees under the FLSA.

14

15 **1.2 Employers**

16

17 Next, the Court examines whether Defendants are employers under the FLSA. The FLSA
 18 defines an “employer” as “any person acting directly or indirectly in the interest of an employer
 19 in relation to an employee.” 29 U.S.C. § 203(d). Whether an individual is an employer under
 20 the FLSA is a question of law. *Patel v. Wargo*, 803 F.2d 632, 634 (11th Cir. 1986).

21 The Ninth Circuit takes an expansive view of the term “employer” under the FLSA. *Real*
 22 *v. Driscoll Strawberry Assoc. Inc.*, 603 F.2d 748, 754 (9th Cir. 1979). For instance, the Ninth
 23 Circuit has held that “[w]here an individual exercises ‘control over the nature and structure of
 24 the employment relationship,’ or ‘economic control’ over the relationship, that individual is an
 25 employer within the meaning of the [FLSA].” *Lambert v. Ackerly*, 180 F.3d 997, 1012 (9th Cir.
 26 1999) (quoting *Bonnette v. Cal. Health & Welfare Agency*, 704 F.2d 1465, 1470 (9th Cir. 1983)).

27 Here, Maldonado and Rubio are corporate officers of SCMS. (Memorandum, Ex. 3 at
 28 RFA No. 2.) By not responding to Plaintiff’s RFA Nos. 35 and 37, Maldonado and Rubio

1 admitted that they hired and fired employees and set the work assignments, locations, schedules,
2 and pay practices for the Cleaners at all relevant times. Based on this undisputed evidence, the
3 Court finds that Maldonado and Rubio exercised sufficient control over the nature and structure
4 of the employment relationship between SCMS and its employees to qualify as employers under
5 the FLSA.

6

7 **1.3 Commercial Enterprise**

8

9 Lastly, in determining whether the FLSA applies to Defendants, the Court must consider
10 whether Defendants operated a commercial enterprise. The FLSA defines an enterprise as:

11

12 the related activities performed (either through unified operation or
13 common control) by any person or persons for a common business
14 purpose, and includes all such activities whether performed in one or
15 more establishments or by one or more corporate or other organizational
16 units including departments of an establishment operated through
17 leasing arrangements, but shall not include the related activities
18 performed for such enterprise by an independence contractor.

19

20 29 U.S.C. § 203(r).

21 The evidence establishes that the business purpose of SCMS is to provide house and
22 carpet cleaning services to clients. By not responding to Plaintiff's RFA Nos. 1 and 3,
23 Defendants admitted that "SCMS was engaged in the provision of house and carpet cleaning
24 services" and that "SCMS employed persons to provide cleaning services to customers of
25 SCMS." Further, Maldonado's and Rubio's undisputed actions as employers, as outlined in
26 Section 1.2, support a finding that they performed related activities that furthered the business
27 purpose of SCMS. Thus, the Court finds that Defendants operated as an enterprise under the
28 FLSA.

1 The Court must next determine whether Defendants' enterprise qualifies as an
 2 "enterprise engaged in commerce or in the production of goods for commerce." 29 U.S.C.
 3 § 206(a). Such an enterprise:

- 4 (i) has employees engaged in commerce or in the production of goods
 for commerce, or that has employees handling, selling, or otherwise
 working on goods or materials that have been moved in or produced for
 commerce by any person; and
- 5 (ii) is an enterprise whose annual gross volume of sales made or
 business done is not less than \$ 500,000 (exclusive of excise taxes at the
 retail level that are separately stated);

11
 12 29 U.S.C. § 203(s)(1)(A). SCMS meets this definition because, by not responding to Plaintiff's
 13 RFA's Nos. 30 and 54, Defendants admitted that (1) their employees handle and work with
 14 cleaning supplies, which are products that have been produced for commerce, and (2) the gross
 15 volume of sales made or business done by SCMS exceeded \$500,000 for each relevant year.
 16 Thus, Defendants operated a commercial enterprise under the FLSA.

17 The Court's analysis establishes that the Cleaners were employees, that Defendants were
 18 employers, and that SCMS was an enterprise engaged in commerce under the FLSA for the
 19 relevant period. Thus, the FLSA's protections are available to the Cleaners.

20
 21 **2. DEFENDANTS' FLSA VIOLATIONS**

22
 23 Having found that both the Cleaners and Defendants fall within the FLSA's purview, the
 24 Court now considers the FLSA provisions at issue and whether Defendants violated these
 25 provisions. Specifically, Plaintiff asserts that Defendants violated 29 U.S.C. sections 206(a)(1),
 26 207(a)(1), 211(c), 215(a)(2) and (a)(5). 29 U.S.C. section 206(a)(1) requires employers to pay
 27 their employees a minimum wage. For the relevant period, Section 206(a)(1) provided that
 28 every employer pay each of his employees "not less than . . . \$5.15 an hour beginning September

1 1, 1997."

2 29 U.S.C. section 207(a)(1) obligates employers to pay overtime wages. It provides: "No
 3 employer shall employ any of his employees . . . for a workweek longer than forty hours unless
 4 such employee receives compensation for his employment in excess of the hours above specified
 5 at a rate not less than one and one-half times the regular rate at which he is employed."

6 29 U.S.C. section 211(c) outlines the recordkeeping obligations of employers and
 7 provides:

8
 9 Every employer . . . shall make, keep, and preserve such records of the
 10 persons employed by him and of the wages, hours, and other conditions
 11 and practices of employment maintained by him, and shall preserve such
 12 records for such periods of time, and shall make such reports therefrom
 13 to the Administrator as he shall prescribe by regulation or order as
 14 necessary or appropriate for the enforcement of the provisions of this
 15 chapter or the regulations or orders thereunder.

16
 17 Lastly, sections 215(a)(2) and (a)(5) classify violations of prior FLSA provisions as
 18 prohibited acts. Specifically, these sections provide that it is unlawful for a person to violate any
 19 of the provisions of section 206, 207, and 211(c). 29 U.S.C. §§ 215(a)(2), (a)(5).

20 The evidence establishes that Defendants violated section 206(a)(1). By not responding
 21 to Plaintiff's RFA Nos. 25, 26, 27, and 47, Defendants admitted that they have continually
 22 violated the FLSA's minimum wage requirement of section 206(a)(1) from March 14, 2003 to
 23 the present. Thus, the Court finds that Defendants violated 29 U.S.C. section 206(a)(1).

24 The Court also finds that the evidence establishes that Defendants violated 29 U.S.C.
 25 section 207(a)(1). By not responding to Plaintiff's RFA Nos. 29 and 47, Defendants admitted
 26 that for the relevant period they failed to pay the Cleaners at a rate of one and one half their
 27 regular rate for hours worked over 40 hours in a workweek. Thus, the Court finds that
 28 Defendants violated 29 U.S.C. section 207(a)(1).

1 Plaintiff has also established that Defendants violated 29 U.S.C. section 211(c). By not
 2 responding to Plaintiff's RFA No. 53, Defendants admitted that SCMS failed to maintain the
 3 records required by the FLSA of the wages paid to its employees and the hours they worked each
 4 day and week. Thus, the Court finds that Defendants violated 29 U.S.C. section 211(c).

5 Because the Court finds that Defendants violated 29 U.S.C. sections 206, 207, and 211(c),
 6 the Court concludes that Defendants have committed prohibited acts under sections 215(a)(2)
 7 and (a)(5).

8

9 **3. REMEDIES**

10

11 Because Plaintiff, on behalf of the Cleaners, has established that Defendants have
 12 violated several provisions of the FLSA, Plaintiff states that she is entitled to several forms of
 13 relief.

14

15 **3.1 Damages for Backwages**

16

17 First, Plaintiff seeks to recover the unpaid compensation owed the Cleaners. Under the
 18 FLSA, the Secretary "may bring an action in any court of competent jurisdiction to recover the
 19 amount of the unpaid minimum wages or overtime compensation" (collectively referred to as
 20 "backwages"). U.S.C. § 216(c); *McLaughlin v. Seto*, 850 F.2d 586 (9th Cir. 1988) (court
 21 awarded employees backwages and liquidated damages in an action brought by the Secretary on
 22 their behalf). But Plaintiff is unable to state an exact amount of overdue backwages owed the
 23 Cleaners because Defendants failed to maintain accurate records of their employees. In such a
 24 situation, "an employee carries his burden under the FLSA if he shows he performed work for
 25 which he was improperly compensated and produces some evidence to show the amount and
 26 extent of that work 'as a matter of just and reasonable inference.'" *McLaughlin*, 850 F.2d at 589
 27 (quoting *Anderson v. Mt. Clemens Pottery Co.*, 328 U.S. 680, 687 (1946) and *Brock v. Seto*, 790
 28 F.2d 1446, 1448 (9th Cir. 1986)). Once the employee establishes a prima facie case, the burden

shifts to the employer to provide evidence either establishing the precise amount of work performed or negating the reasonableness of the employee's figure. *Id.* "Where an employer fails to meet its burden, the district court 'may then award damages to the employee, even though the result be only approximate.'" *Id.* (quoting *Anderson*, 328 U.S. at 688).

Plaintiff established in section 2 that Defendants failed to maintain complete and accurate time and payroll records for the Cleaners and that the Cleaners were undercompensated for work they performed. "Once the employee has proved that he has performed work and has not been paid in accordance with the FLSA, the fact of damage is certain. The only uncertainty is the amount of damage." *Brock*, 790 F.2d at 1448 (emphasis in original). Thus, the Court examines Plaintiff's evidence of the estimated amount of damage owed.

Plaintiff provides evidence of the amount and extent of work the Cleaners performed for which they were improperly compensated. Specifically, Plaintiff relied on a declarations from several of Defendants' past and current Cleaners. The declarations from Defendants' Cleaners stated that they worked approximately 6 days per week for 10.5 hours per day. (See Declaration of Nelly Jimenez ¶ 7; Declaration of Jose Luis Gonzalez ¶¶ 2, 8; Declaration of Brenda Jimenez Estevez ¶¶ 5, 7; Declaration of Angelica Lopez ¶ 3; Declaration of Veronica Ramirez ¶ 5; Declaration of Maria Rodriguez ¶ 6; Declaration of Rogelio Barrajas ¶ 15; Declaration of Marcela Contreras ¶ 11; Declaration of Maria Gonzalez ¶¶ 4, 6; Declaration of Norma Araceli Gamboa ¶¶ 7, 8.)

Next, Plaintiff provides a declaration from an investigator from the Wage-Hour Division of the United States Department of Labor ("Wage Hour Investigator") who conducted a thorough investigation in this case to establish the estimated amount of backwages owed to each Cleaner. The Wage Hour Investigator calculated these estimates by relying on the interviews with current and former employees and employment records. The Court finds that consideration of the testimony of such an investigator is appropriate in determining the amount of backwages due. Brock v. Seto, 790 F.2d 1446, 1449 (9th Cir. 1986); United States Department of Labor v. Cole, 62 F.3d 775, 781 (6th Cir. 1995).

The Wage Hour Investigator established that SCMS required its Cleaners to work in

1 teams of at least two, designating one worker as team leader and the other(s) as helper(s).
 2 (Kozlo Decl. ¶ 8). Further, the Wage Hour Investigator established that SCMS did not pay or
 3 maintain any records for the helpers. (Kozlo Decl. ¶¶ 17, 27.) To determine backwages, the
 4 Wage Hour Investigator examined the Bills of Service for lead workers, which stated a list of all
 5 jobs worked each workweek by each lead worker. (Kozlo Decl. ¶ 29.) With such evidence, the
 6 Wage Hour Investigator calculated the total amount each worker worked to identify overtime
 7 workweeks.

8 The Wage Hour Investigator determined each lead worker's regular rate of compensation
 9 for all weeks worked during the investigated period using the Forms 1099 supplied by SCMS.
 10 (Kozlo Decl. ¶ 31.) Then, the Wage Hour Investigator divided the amount listed on the Form
 11 1099 for each lead worker by two to estimate the lead worker's and helper's earnings. (Kozlo
 12 Decl. ¶ 31). The Wage Hour Investigator used this information to calculate the minimum wage
 13 underpayments and unpaid overtime backwages for each employee for all weeks worked during
 14 the investigated period. (Kozlo Decl. ¶¶ 32, 33.) These calculations were provided in the Wage
 15 Hour Investigator's supporting declaration. (Kozlo Decl., Ex. 3D.)

16 The Wage Hour Investigator also calculated an approximation of the backwages owed for
 17 the time period at issue in this case that was not included in his own investigation. The Wage
 18 Hour Investigator calculated an amount of backwages for the period of March 14, 2005 to
 19 December 29, 2006 proportionate to those calculated for the investigated period. (Kozlo Decl.
 20 ¶ 37.) This calculation is supported by Plaintiff's declarations from employees, which evidence
 21 that SCMS has not materially altered the workweeks of its employees or its pay practices since
 22 the investigation. (*See Declaration of Jose Luis Gonzalez; Declaration of Brenda Jimenez
 23 Estevez; Declaration of Marcela Contreras; Declaration of Maria Gonzalez; Declaration of
 24 Norma Araceli Gamboa.*) Further, by not responding to RFA No. 48, Defendants admitted that
 25 “[u]nderpayments of wages due to [Defendants'] violation of the minimum wage and overtime
 26 provisions of the Act for the period from 3/14/05 to the present are proportionate to the
 27 underpayments owed for the period of 3/14/03 to 3/14/05.”

28 The Court finds that this evidence is sufficient to determine a just and reasonable amount

1 of backwages due to the identified employees who submitted declarations as well as those who
 2 have not submitted declarations. A court may award backwages to non-testifying employees
 3 “based upon the fairly representative testimony of other employees.” *McLaughlin*, 850 F.2d at
 4 589. After analyzing Plaintiff’s declarations from employees and finding them all to be nearly
 5 identical in their descriptions of both a typical workweek and SCMS’ pay practices, the Court
 6 finds that the testimony before it is representative of employees who did not submit declarations.

7 Further, the Court finds that this evidence supports an award of backwages to unidentified
 8 helper workers. “Damage awards for unidentified employees are within the scope of the FLSA,
 9 so long as a preponderance of the evidence establishes the existence, work hours, and wages of
 10 these employees.” *Reich v. Petroleum Sales, Inc.*, 30 F.3d 654, 658 (6th Cir. 1994); *see also*
 11 *Martin v. Deiraggi*, 985 F.2d 129, 132 (4th Cir. 1992) (“To support an award for backwages, the
 12 Secretary is not required to identify with specificity each and every employee who was
 13 undercompensated and for what time period.”). Here, Plaintiff provides evidence that all helpers
 14 were not individually compensated for their employment. (Declaration of Brenda Jimenez
 15 Estevez ¶¶ 2-5; Declaration of Veronica Ramirez ¶¶ 2, 4; Declaration of Maria Rodriguez ¶¶ 2-
 16 3, 12; Declaration of Marcela Contreras ¶¶ 2-3.) The Wage Hour Investigator used the Bills of
 17 Service and Forms 1099 issued by Defendants to the lead workers to reconstruct the hours
 18 worked and wages paid to these employees. (Kozlo Decl. ¶¶ 29, 31, Ex. 3D.) The Court credits
 19 this methodology and finds that it is an appropriate basis to award backwages to undocumented
 20 workers.

21 After reviewing this information, the Wage Hour investigator estimated that
 22 \$3,467,789.44 of backwages is due to the documented and undocumented employees for the
 23 period of March 14, 2003 to December 29, 2006. (Kozlo Decl., Ex. 3D.) The Court finds that
 24 the evidence provided supports the conclusion that \$3,467,789.44 is a just and reasonable
 25 estimate of the backwages owed to the Cleaners. Further, by not responding to Plaintiff’s RFA
 26 Nos. 42, 43, and 49, Defendants admitted that they are liable to the Cleaners for this amount in
 27 backwages. Thus, Defendants are jointly and severally liable for unpaid minimum wages and
 28

1 overtime compensation owed to their employees totaling \$3,467,789.44.
2
3
4

3.2 Liquidated Damages

5
6 Plaintiff also requests \$1,058,972.81 in liquidated damages under 29 U.S.C. section
7 216(c) on behalf of the employees named in the Complaint. (Plaintiff's P&A's 31:35-32:1.)
8 Under Section 216(c), the Secretary may bring an action to recover liquidated damages in an
9 amount equaling the total backwages owed these employees. The Ninth Circuit has recognized
10 that

11 the liquidated damages provision 'constitutes a Congressional
12 recognition that failure to pay the statutory minimum on time may be so
13 detrimental to maintenance of the minimum standard of living necessary
14 for health, efficiency, and general well-being of workers and to the free
15 flow of commerce, that double payment must be made in the event of
16 delay in order to insure restoration of the worker to that minimum
17 standard of well-being.'

18 *Biggs v. Wilson*, 1 F.3d 1537, 1541 (9th Cir. 1993) (quoting *Brooklyn Sav. Bank v. O'Neil*, 324
19 U.S. 697, 707 (1945)). However, an employer may avoid liquidated damages by demonstrating
20 that he has acted in good faith and with a reasonable belief that his conduct conformed with the
21 FLSA. 29 U.S.C. § 260. "Absent such a showing, liquidated damages are mandatory." *Bratt*
22 *v. County of Los Angeles*, 912 F.2d 1066, 1071 (9th Cir. 1990) (quoting *Equal Employment*
23 *Opportunity Comm'n v. First Citizens Bank*, 758 F.2d 397, 403 (9th Cir. 1985)).

24 The Court finds that Defendants have not met their burden to avoid liquidated damages.
25 As discussed in Section 3.1, Plaintiff has established that all SCMS employees are entitled to
26 backwages. Defendants have provided no defense and have shown neither good faith nor a
27 reasonable belief that their conduct conformed with the FLSA. At the very least, the Court finds
28

1 that Defendants knew of the minimum wage, overtime, and recordkeeping requirement of the
2 FLSA after the Wage Hour Investigator confronted them during its investigation. Additionally,
3 by not responding to Plaintiff's RFA No. 47, Defendants admitted that they were continually
4 aware of their FLSA violations over the relevant period. Thus, the Court finds that an award of
5 liquidated damages is appropriate.

6 Plaintiff provides evidence that Defendants are liable for \$1,058,972.81 in liquidated
7 damages owed to documented employees. (Kozlo Decl., Ex. 17.) Further, by not responding to
8 Plaintiff's RFA No. 46, Defendants admitted that they are liable for the specified amount in
9 liquidated damages. Thus, the Court finds Defendants jointly and severally liable for
10 \$1,058,972.81 in liquidated damages.

11

12 3.3 Injunction

13

14 Plaintiff seeks two types of injunctions against Defendants under 29 U.S.C. section 217.
15 "Traditional equity grounds need not be proven in order for an injunction that is authorized by
16 statute to be issued." *United States v. H & L Schwartz, Inc.*, No. 84-5497, 1987 U.S. Dist.
17 LEXIS 14478, at *21 (C.D. Cal. 1987). The Court finds that both a restitutionary and a
18 prospective injunction are needed to adequately redress Defendants' FLSA violations.

19

20 3.3.1 Restitutionary Injunction

21

22 Plaintiff asks the Court to enjoin Defendants from withholding the backwages and
23 liquidated damages owed the Cleaners. A district court has jurisdiction to restrain "any
24 withholding of payment of minimum wages or overtime compensation found by the court to be
25 due to employees under [the FLSA]." 29 U.S.C. § 217. The Ninth Circuit has held that
26 "restitutionary injunctions are an essential tool in effectuating the policy of the [FLSA]." "
27 *Marshall v. Chala Enterprise, Inc.*, 645 F.2d 799, 803 (9th Cir. 1981). Thus, to prevent unjust
28 enrichment and to ensure that SCMS' employees receive the payments that Congress has

1 determined they are entitled to receive, the Court restrains Defendants from withholding the
2 payments, outlined in Sections 3.1 and 3.2, owed to Plaintiff on behalf of these workers.
3

4 3.3.2 Prospective Injunction
5

6 The Court also finds that a prospective injunction is appropriate. The FLSA authorizes a
7 district court to restrain violations of 29 U.S.C. section 215. 29 U.S.C. § 217. The Supreme
8 Court has expressly recognized the discretionary nature of a prospective injunction restraining
9 future violations of the FLSA. *See Mitchell v. Lublin, McGaughy & Assocs.*, 358 U.S. 207, 215
10 (1959). Such an injunction, “subjects the defendants to no penalty, to no hardship. It requires
11 the defendants to do what the [FLSA] requires anyway to comply with the law.” *Marshall*, 645
12 F.2d at 804 (quoting *Mitchell v. Pidcock*, 299 F.2d 281, 287 (5th Cir. 1962)).

13 Here, Defendants’ violations constitute prohibited acts under Sections 215(a)(2) and
14 215(a)(5). Plaintiff has established that Defendants were notified that their business practices
15 violated the FLSA but refused to change their behavior. (Kozlo Decl. ¶¶ 35-36.) Further,
16 Plaintiff has established that Defendants are unlikely to comply with the FLSA’s provisions in
17 the future. Thus, the Court permanently enjoins and restrains Defendants from violating 29
18 U.S.C. sections 215(a)(2) and (a)(5).

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DISPOSITION

For the reasons stated, Plaintiff's Motion is GRANTED. The Court awards \$3,467,789.44 in backwages and \$1,058,972.81 in liquidated damages. Further, the Court enjoins Defendants from withholding the combined amount of backwages and liquidated damages, \$4,526,762.25, due Plaintiff on behalf of the Cleaners. The Court also permanently enjoins Defendants from violating the minimum wage, overtime, and recordkeeping provisions of the FLSA.

IT IS SO ORDERED.

DATED: August 20, 2007

Andrew J. Guilford
United States District Judge